

MINUTES
STATE BUILDING COMMISSION MEETING
EXECUTIVE SUB-COMMITTEE

MAY 27, 2004

The State Building Commission Executive Sub-committee met this day at 9:00 a.m. in Executive Conference Room, Ground Floor, State Capitol, Nashville, Tennessee.

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS PRESENT

Dave Goetz, Commissioner, Department of Finance and Administration
John Morgan, Comptroller of the Treasury
Riley Darnell, Secretary of State

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS ABSENT

Dale Sims, State Treasurer

OTHERS PRESENT

Mike Fitts, State Architect
Georgia Martin, Department of Finance and Administration
Larry Kirk, Department of Finance and Administration
Charles Garrett, Department of Finance and Administration
Gloria Rittenberry, Department of Finance and Administration
Jurgen Bailey, Department of Finance and Administration
Janie Porter, Attorney General's Office
Genie Whitesell, Attorney General's Office
Dennis Raffield, THEC
Pat Haas, Bond Finance
George Brummett, Department of Finance and Administration
Annette Crutchfield, Legislative Budget Office
Bob King, Department of Finance and Administration
Jerry Preston, Tennessee Board of Regents
David Gregory, Tennessee Board of Regents
Keith Robinson, Tennessee Board of Regents

Robert Bumbalough, Department of Human Services
Karen Hale, Comptroller's Office
Randal Lea, Department of Children's Services
Carl Cobble, Department of Transportation
Alan Durham, Department of Transportation
James Lawrence, YMCA
Senator Douglas Henry
John Gregory, Tennessee Wildlife Resources Agency
King Moon, Johnson Controls
Tim Garrington, Department of Correction
Cliff Steger, Department of Finance and Administration
Chris Cooper, Department of Finance and Administration
Mike Baumstack, Department of Environment and Conservation
Robbie Jones, The Hermitage
Scott Shepard, Nashville Gas
Nancy Blevins, Department of Finance and Administration
Ed Lake, Department of Human Services

Commissioner Goetz called the meeting to order at 9:15 a.m. and requested action on the following matters as presented by State Architect Michael A. Fitts.

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TENNESSEE BOARD OF REGENTS

MIDDLE TENNESSEE STATE UNIVERSITY, MURFREESBORO, TENNESSEE

- 1) At the request of the Board of Regents, the Subcommittee deferred a request for approval to reallocate funding for **Todd Library Renovation** at Middle Tennessee State University in Murfreesboro, Tennessee.

Estimated Project Cost:

\$ 9,355,000.00

SBC Project No. 166/009-02-98

PELLISSIPPI STATE TECHNICAL COMMUNITY COLLEGE, KNOXVILLE, TENNESSEE

- 1) Approved a request for Delivery Order #1 and acknowledgment of the source of funding for **Performance Contracting** at Pellissippi State Technical Community College in Knoxville, Tennessee.

Estimated Project Cost:

\$ 60,000,000.00

Estimated Delivery Order #1 Cost:

\$ 1,000,000.00

SBC Project No. 166/000-01-02

VOLUNTEER STATE COMMUNITY COLLEGE, GALLATIN, TENNESSEE

- 1) Approved a request for a revision in estimated project cost and funding and acknowledgment of the source of funding from \$175,000.00 to \$310,000.00 (\$135,000.00 increase) of a project for **Parking Improvements** at Volunteer State Community College, Gallatin, and authorization to award a contract to Rogers Group, Gallatin, in the amount of \$189,300.00, based upon the low base bid received May 5, 2004.

Revised Estimated Project Cost: \$310,000.00

SBC Project No. 166/025-01-04

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Rutherford County –4.26+/- Acres with Improvements – 213-217 North Tennessee Boulevard, Murfreesboro, TN – Trans. No. 04-04-005 (LW)</u>
Purpose:	Acquisition in Fee of property contiguous to the Middle Tennessee State University (MTSU) Master Plan acquisition area. Immediate use of the property will be for campus parking and the church and houses will be converted into academic functions.
Source of Funding:	Auxiliary Funds – Bookstore/Parking Revenue
Estimated Cost:	Fair Market Value
Estimated Value:	\$1,945,000.00 – Appraised Value
Owner(s):	Middle Tennessee Baptist Church
SSC Report:	05-17-04. Jerry Preston summarized the transaction. He stated that Chancellor Manning has approved the revision to add this tract to the MTSU land acquisition Master Plan. The church sanctuary will be converted into a hall for programs, concerts etc., the rest of the facility will be used for classrooms and educational purposes. No capital improvement dollars will be involved in this project. Staff referred to Sub-Committee with recommendation.
SC Action:	05-27-04. Charles Garrett summarized the transaction. He advised that the Chancellor of TBR and TN Higher Education Commission have both approved the revision to the MTSU Master Plan. He stated that the church and improvements contained 21,500 square feet and will provide approximately 200 parking spaces. Sub-committee approved the transaction as presented. Final action.

DEPARTMENT OF CHILDREN'S SERVICES

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by LEASE of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112.

Description: **Davidson County – 1.5 +/- Acres and Improvements (Scott Quad, Cottages 1 and 2), TN Preparatory School (TPS), 1200 Foster Avenue, Nashville, TN – Trans. No. 04-03-011 (JB)**

Purpose: Disposal by Lease to provide an Independent Living Skills program for young adults.

Term: March 1, 2004 thru June 30, 2006 (2 yrs - 3 mos.) with two 2-year extension periods

Consideration: \$13,869.96 Per Year - \$3.65/sf (Cottage 1 – 3,800 sf)

Lessee: Young Men's Christian Association of Middle Tennessee

SSC Report: 04-12-04. Charles Garrett summarized the transaction. After review and discussion, Staff deferred the transaction pending additional information regarding the clients being served by the Lessee and whether or not there is any debt service remaining.

Comment: The proposed lease provides for but is not limited to the following:

1. Lessee has option to include Scott Cottage 2 at the same compensation as Scott Cottage 1
2. Either party may terminate upon 120 days written notice of intention to do so, stating the effective date of termination
3. Lessee to provide utility services, routine operation and maintenance functions
4. At the end of each fiscal year, State shall settle costs and invoice Lessee for additional compensation necessary to cover Lessee's share of variable operating costs not to exceed \$4.00 per square foot.
5. Lessee shall ensure that, during each fiscal year of operation, 25% of all participants in the program have a history of receiving services from the Department of Children's Services to include persons who have previously been in the custody of the State for any time period in their lives or who have received services due to their risk of entering State custody.

SSC Report: 05-17-04. Charles Garrett summarized the transaction. Senator Douglas Henry and James Lawrence, Executive Director for the YMCA, discussed the purpose for this project. The program entails providing an apprenticeship program for 12 young men between the ages of 18-24 to learn a skill such as plumbing, electrician or carpentry. Mr. Lawrence stated that Mr. Eddie Phillips, Homebuilder, will provide on the job training during the day and evening classes. This is a mandatory program and participants will live on site Monday thru Friday for one year. Senator Henry added

Department of Children's Services – continued

that this is a wonderful program to have and he believes that it will have a positive impact on these young men's development and be under supervision at all times. Charles Harrison requested a letter from the Commissioner of Children's Services approving this transaction. Staff referred to Sub-Committee for recommendation.

SC Action:

5-27-04. Charles Garret summarized the transaction and presented members with an information package. Mr. Garrett introduced Mr. James Lawrence, Executive Director, YMCA and Mr. Lawrence was recognized. Mr. Lawrence gave a brief history of the program. He stated the participants in the program will receive education and training in plumbing, electrical, or carpentry. He stated each participant will receive a Certificate of completion and ability. Senator Douglas Henry was introduced and recognized. Senator Henry said the program is well thought-out and will have a positive impact on the young men in the program.

Mr. Garrett requested approval of the lease of Scott Quad 1 with option to include Scott Quad 2 as provided in the lease agreement. Sub-committee approved the request as presented. Final action.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112:

Description: **Campbell County – 29.0 +/- Acres – Royal Blue Wildlife Management Area – Trans. No. 04-04-007 (CH)**

Purpose: Disposal in Fee to correct an error in a survey and correct the legal description and boundary line agreement between the State and David Shiflett.

Original Cost to State:\$3,638,591.00

Date of Original
Conveyance: 1991

Grantor Unto State: World Wide Purchasing

Estimated Sale Price: None – Boundary Line Error in State Survey

Grantee: David Shiflett

SSC Report: 05-17-04. John Gregory summarized the transaction. Surveyor Bob Rusk, explained how this 29 acre survey error occurred. He stated a deed call error and a missed deed caused the 29 acre boundary problem. This action would correct the boundary problem that has existed since the mid -90's. Staff referred to Sub-Committee with recommendation.

SC Action: 5-27-04. Charles Garrett introduced John Gregory, TWRA, and Mr. Gregory was recognized. Mr. Gregory summarized the transaction. He stated that the request for approval of the transaction would correct the error and that it was Mr. Boyd's intent to include the subject property in the sale to Mr. Shiflett. He stated Mr. Shiflett has agreed to use the road as the boundary that guarantees the State use of the road. Sub-committee approved the transaction as presented. Final action.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL of the BUY-BACK AGREEMENT for the SALE and REPURCHASE and ALL FUTURE REQUESTS with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112:

Description: **Anderson, Campbell, and Scott Counties – 336 +/- Acres and any Future Requests in accordance with the Existing Agreement – Sundquist Wildlife Management Area – Trans. No. 04-04-004 (CH)**

Purpose: To comply with the existing agreement for coal operations on land in Anderson, Scott, and Campbell Counties. Land will be available for repurchase when coal operations cease.

Original Cost to State: \$7,615,500.00 – 74,900 Acres

Date of Original
Conveyance: February 2003

Grantor Unto State: The Conservation Fund

Estimated Sale Price: \$1.00 Per Acre – Disposal
\$1.00 Per Acre – State Buy-Back

Grantee: National Coal Corporation

Comment: State received approval to purchase the surface rights with agreements in place between previous surface owners and the mineral owners. The agreement spelled out how land will be transferred to facilitate mineral exploration operations. The current request is for a transfer deed of 336 acres to be prepared as per the agreement. When the State acquired the land the mining agreement was in place. TWRA and the State are obligated to comply with the established agreement for this multi-owner property.

TWRA is requesting approval to sell the 336 acres to the mining company and approval to repurchase this land once mining operations are complete. TWRA also requests approval for any future disposals and buy back transactions as per the mining agreement. The State has only 30 days to repurchase the land once mining operations cease.

SSC Report: 05-17-04. Jurgen Bailey & John Gregory summarized the transaction. Staff referred to Sub-Committee for discussion.

TN Wildlife Resources Agency – continued:

SC Action: 5-27-04. Charles Garrett summarized the transaction. He stated the original agreement provided a buy-back provision on the lands encumbered with mineral rights and how lands would be transferred back to the State. Commissioner Goetz asked why the mineral rights were not purchased at the time and were their other state lands encumbered by mineral rights. John Gregory, TWRA, stated the mineral rights were not for sale at the time. Commissioner Goetz expressed concern regarding the purchase of lands excluding mineral and timber rights. He also asked about the condition of the lands after mine operations have concluded. John Gregory stated the federal Office of Surface Mining (OSM) will oversee and approve the reclamation of each site. He said the State has only 30 days to buy-back the property after OSM has approved the site.

After further review and discussion Sub-committee approved the transaction as requested in the original agreement for the sale and the repurchase of all future lands as reviewed by OSM upon completion of mining operations. Final action.

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL of a PERMANENT EASEMENT, with RIGHT-OF-ENTRY, and with WAIVER of ADVERTISEMENT as required by TCA 4-15-102 and 12-2-112.

Description: **Davidson County – 2.76 +/- Acres (30' by 4,000') – Shutes Lane, The Hermitage – Trans. No. 04-01-011 (BM)**

Purpose: Disposal by Easement for installation of a 12-inch gas line along the boundary of State property.

Estimated Sale Price: Fair Market Value

Estimated Value:

Grantee: Nashville Gas Company

Comment: Nashville Gas Company will perform an archeological study on the easement property.

SSC Report: 2-13-04. Jurgen Bailey presented the transaction for review. He advised that Nashville Gas Company would pay all related costs and perform an archeological study. Concerns were raised regarding the historical site. Staff deferred until such time as all concerns were resolved.

SSC Report: 05-17-04. Jurgen Bailey summarized the transaction. Mr. Scott Shepard with Nashville Gas Company stated that they would be responsible for putting up a new \$20,000 fence, the fair market value of the easement, complete an archeological study and pay for all associated costs. Staff referred to Sub-Committee with recommendation.

SC Action: 5-27-04. Charles Garrett summarized the transaction. He introduced Mr. Scott Sheppard, Nashville Gas Company (NGC), and Mr. Sheppard was recognized. He stated that the subject area is one of the fastest growing areas and is in need of improved service. He stated NGC has been working with the Hermitage on the proposed project. Robbie Jones, Hermitage representative, stated all concerns have been resolved and the agency is satisfied with the agreement. Sub-committee approved the request as presented. Final action.

DEPARTMENT OF TRANSPORTATION

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property and WAIVER of ADVERTISEMENT as required by TCA 12-2-114(b)(1) and TCA 12-2-115:

Location: **Coffee County – 2610 Hillsboro Highway, Manchester, TN – Trans. No. 04-03-918 (JS)**

Purpose: To provide temporary office, garage, storage and warehouse space during renovation of Region 2 District Office per SBC Project 242/010-02-02.

Term: July 1, 2004 thru June 30, 2005 (1 yr.)

Proposed Amount: 14,000 Square Feet

Annual Contract Rent:	\$54,000.00	@\$3.86/sf
Est. Annual Utility Cost:	<u>\$19,600.00</u>	<u>@\$1.40/sf</u>
Total Annual Effective Cost:	\$73,600.00	@\$5.26/sf

Current Amount: State-owned

Type: New Lease – Negotiated

Lessor: Mary Ann Roberts

Comment: Lessor shall construct chain link fencing and gate at no additional cost to the State. Janitorial performed by agency.

SSC Report: 05-17-04. Bob King summarized the transaction. Staff referred to Sub-Committee for recommendation.

SC Action: 5-27-04. Charles Garrett summarized the transaction. He advised that the proposed lease is temporary space while State space undergoes renovation. Sub-committee approved the request as presented. Final action.

DEPARTMENT OF TRANSPORTATION

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property and WAIVER of ADVERTISEMENT as required by TCA 12-2-114(b)(1) and TCA 12-2-115:

Location: **Cumberland County – 315 Central Avenue, Crossville, TN – Trans. No. 04-03-919 (JS)**

Purpose: To provide temporary office, garage, storage and warehouse space during renovation of Region 2 District Office per SBC Project 242/010-02-02.

Term: July 1, 2004 thru June 30, 2005 (1 yr.)

Proposed Amount: 19,184 Square Feet

Annual Contract Rent:	\$ 78,000.00	@\$4.07/sf
Est. Annual Utility Cost:	<u>\$ 26,857.60</u>	<u>@\$1.40/sf</u>
Total Annual Effective Cost:	\$104,857.60	@\$5.47/sf

Current Amount: State-owned

Type: New Lease - Negotiated

Lessor: L. E. Smith

Comment: Lessor shall make electrical improvements in the garage area, paint shop and restroom facilities, and furnish and install chain link fencing and gate at no additional cost to the State. Janitorial performed by agency.

SSC Report: 05-17-04. Bob King summarized the transaction. Staff referred to Sub-Committee for recommendation.

SC Action: 5-27-04. Charles Garrett summarized the transaction. He advised that the proposed lease is temporary space while State space undergoes renovation. Sub-committee approved the request as presented. Final action.

DEPARTMENT OF TRANSPORTATION

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property and WAIVER of ADVERTISEMENT as required by TCA 12-2-114(b)(1) and TCA 12-2-115:

Location: **Putnam County – 1550 Holladay Road, Cookeville, TN – Trans. No. 04-03-920 (JS)**

Purpose: To provide temporary office, garage, storage and warehouse space during renovation of Region 2 District Office per SBC Project 242/010-02-02.

Term: July 1, 2004 thru June 30, 2005 (1 yr.)

Proposed Amount: 31,450 Square Feet

Annual Contract Rent:	\$ 89,400.00	@\$2.84/sf
Est. Annual Utility Cost:	<u>\$ 44,030.00</u>	<u>@\$1.40/sf</u>
Total Annual Effective Cost:	\$133,430.00	@\$4.24/sf

Current Amount: State-owned

Type: New Lease - Negotiated

Lessor: Leonard Jolley

Comment: Lessor to include existing air compressor system at no additional cost to the State. Janitorial performed by agency.

SSC Report: 05-17-04. Bob King summarized the transaction. Staff referred to Sub-Committee for recommendation.

SC Action: 5-27-04. Charles Garrett summarized the transaction. He advised that the proposed lease is temporary space while State space undergoes renovation. Sub-committee approved the request as presented. Final action.

DEPARTMENT OF TRANSPORTATION

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property and WAIVER of ADVERTISEMENT as required by TCA 12-2-114(b)(1) and TCA 12-2-115:

Location: **Sequatchie County – 5876 State Route 28, Dunlap, TN – Trans. No. 04-03-921 (JS)**

Purpose: To provide temporary office, garage, storage and warehouse space during renovation of Region 2 District Office per SBC Project 242/010-02-02.

Term: July 1, 2004 thru June 30, 2005 (1 yr.)

Proposed Amount: 9,000 Square Feet

Annual Contract Rent:	\$78,000.00	@ \$ 8.67/sf
Est. Annual Utility Cost:	<u>\$12,600.00</u>	<u>@ \$ 1.40/sf</u>
Total Annual Effective Cost:	\$90,600.00	@ \$10.07/sf

Current Amount: State-owned

Type: New Lease - Negotiated

Lessor: Robert L. Jones

Comment: Lessor to furnish and install chain link fence with gate, furnish and install air compressor system in shop area, and construct a 10' by 12' office in shop area at no additional cost to the State. Janitorial performed by agency.

SSC Report: 05-17-04. Bob King summarized the transaction. Staff referred to Sub-Committee for recommendation.

SC Action: 5-27-04. Charles Garrett summarized the transaction. He advised that the proposed lease is temporary space while State space undergoes renovation. Sub-committee approved the request as presented. Final action.

DEPARTMENT OF FINANCE & ADMINISTRATION

SPECIAL ITEM

Review of a Request for APPROVAL to Enter into a NEGOTIATED LEASE AGREEMENT, with WAIVER of ADVERTISEMENT, for Lease Space for the Department of Human Services, Disability Determination Services, Davidson County, Nashville, Tennessee.

SSC Report: 05-17-04. Charles Garrett summarized the transaction. Deputy Commissioner Ed Lake provided additional information on the importance of this project. Discussion centered around the statute relative to advertisement and the fact this is general office space and is not unique space. Charles Garrett said that Finance and Administration will advertise as soon as possible. The decision was made to go forward with the advertisement and inform the Sub-committee about this transaction.

SC Action: 5-27-04. Charles Garrett advised that in working with staff, Request for Proposals for 123,000 to 128,000 usable square feet will appear in the paper on May 30, 2004. He stated that this transaction will allow renovation to begin in Citizens Plaza when vacated and to begin backfilling with other State agencies. He stated this is being provided to Sub-committee as information and no action is required. Sub-committee concurred.

DEPARTMENT OF FINANCE & ADMINISTRATION

SPECIAL ITEM

Review of a Request for APPROVAL to Enter into a NEGOTIATED LEASE AGREEMENT, with WAIVER of ADVERTISEMENT, for three (3) Family Assistance Service Centers for the Department of Human Services, to be located in Carroll County, McKenzie, TN; and locations to be determined in Middle and East Tennessee.

SSC Report: 05-17-04. Charles Garrett summarized the transaction. He stated Family Call Centers are needed in the areas of McKenzie, Columbia, and Johnson City. Each location will have approximately 70 new employees. Deputy Commissioner Ed Lake provided additional information on the importance of this project. Staff referred to Sub-Committee for discussion.

SC Action: 5-27-04. Charles Garrett summarized the transaction. He advised that in consultation with the Departments of Human Services and Economic and Community Development, it is determined that Regional Family Assistance Service Centers (FASC) should be located in depressed areas of the state. He stated one would be located in Carroll County (McKenzie, Tennessee) and one in Middle Tennessee and East Tennessee. He further stated that Finance and Administration would survey the market in the selected areas in order to make a comparison of available space and determine what is in the best interest of the State. He stated a special session of the Sub-committee could be called or approval could be given to proceed with final approval by the Commissioner of Finance and Administration. Comptroller Morgan asked what is unique about the project. Deputy Commissioner Ed Lake responded that time is critical and the need to establish the FASCs before implementation of other settlement matters. He stated that in the designated distressed counties professional staff will need to be recruited and trained. Mr. Morgan stated he was willing to delegate final approval to the Commissioner of Finance and Administration and requested progress reports be made to the Sub-committee. Commissioner Goetz stated regular progress reports will be provided. Sub-committee approved the request as presented.

DEPARTMENT OF FINANCE AND ADMINISTRATION

STATEWIDE

- 1) Approved a request for Delivery Order #1 and acknowledgment of the source of funding for **Energy Savings Performance Contracting** at Northeast Correctional Complex and Northwest Correctional Complex, with design and construction provided by Johnson Controls, Inc.

Estimated Delivery Order #1 Cost:

\$ 1,000,000.00

SBC Project No.

529/000-02-03

STATE BUILDING COMMISSION

MINUTES OF THE STATE BUILDING COMMISSION EXECUTIVE SUBCOMMITTEE

- 1) Approved the Minutes of the State Building Commission Executive Subcommittee meeting held on April 19, 2004.

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Following approval of the Consent Agenda, the meeting adjourned at 10:02 a.m.

CONSENT AGENDA

Approved the following real property transactions that have been reviewed and recommended for approval by Sub-committee staff:

- A. Agency: **Finance & Administration – Davidson County**
Transaction: Disposal by Easement
Provision: Waiver of Advertisement and Appraisals
- B. Agency: **Board of Probation & Parole – Sumner County**
Transaction: Lease Agreement
- C. Agency: **TN Wildlife Resources Agency – Weakley County**
Transaction: Acquisition in Fee
- D. Agency: **Environment & Conservation – Decatur County**
Transaction: Acquisition in Fee
- E. Agency: **Department of Transportation – Sullivan County**
Transaction: Disposal in Fee
Provision: Waiver of Advertisement
- F. Agency: **Department of Transportation – Shelby County**
Transaction: Equal Value Land Exchange
Provision: Waiver of Appraisals
- G. Agency: **Department of Transportation – Rutherford County**
Transaction: Demolition of Two Houses
- H. Agency: **Department of Environment and Conservation – Sumner County**
Transaction: Demolition of Old Bathhouse and Restroom

A.

DEPARTMENT OF FINANCE & ADMINISTRATION

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by EASEMENT of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112.

Description: **Davidson County – Access Road – Clover Bottom Developmental Center – Trans. No. 04-04-010 (CH)**

Purpose: Disposal by Easement for relocation of access road to provide better access to a mental health facility to be constructed by Park Center, Lessor. Relocation of access will not effect State operations at the Center.

Estimated Sale Price: Grant – Public and State Benefit

Term: Seventy-five (75) Years – Concurrent with Lease Agreement

Grantee: Park Center

Comment: The Easement will expire at the end of the lease between the State and Park Center.

SSC Report: 05-17-04. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 5-27-04. Sub-committee approved the transaction as presented. Final action.

B.

BOARD OF PROBATION & PAROLE

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: **Sumner County – 425 South Water Street, Gallatin, TN – Trans. No. 03-08-909 (EN)**

Purpose: To provide office and related space for local operations.

Term: April 1, 2004 thru March 31, 2009 (5 yrs.)

Proposed Amount: 4,140 Square Feet
Annual Contract Rent
Including Utility Cost: \$47,899.80 @\$11.57/sf
Est. Annual Janitorial Cost: \$ 4,554.00 @\$ 1.10/sf
Total Annual Effective Cost: \$52,453.80 @\$12.67/sf

Current Amount: 3,456 Square Feet
Annual Contract Rent
Including Utility Cost: \$39,999.96 @\$11.57/sf
Est. Annual Janitorial Cost: \$ 3,801.60 @\$ 1.10/sf
Total Annual Effective Cost: \$43,801.56 @\$12.67/sf

Type: New Lease – Advertisement – Lowest of (4) Proposals from (2) Proposers

FRF Rate: \$13.50 Per Square Foot

Purchase Option: No – Multi-tenant Facility

Lessor: Kerry B. Parker, Current Lessor

Comment: The proposed lease provides for no cancellation during the first five years of the lease term except for cause and/or funding and 180 days notice thereafter.

SSC Report: 05-17-04. Bob King summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 5-27-04. Sub-committee approved the transaction as presented. Final action.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Weakley County – 4.35 +/- Acres – Bean Switch Refuge – Trans. No. 04-04-002 (CH)</u>
Purpose:	Acquisition in Fee of property considered to be an in holding and adjacent to the Refuge.
Source of Funding:	Operating Funds
Estimated Cost:	Fair Market Value
Estimated Value:	\$12,000.00
Owner(s):	George and Glenda Broussard
SSC Report:	05-17-04. John Gregory summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	5-27-04. Sub-committee approved the transaction as presented. Final action.

DEPARTMENT OF ENVIRONMENT & CONSERVATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<u>Decatur County – 200 +/- Acres – “9 Acre Glade” – Mr. Carmel Road – Trans. No. 04-04-008 (BM)</u>
Purpose:	Acquisition in Fee to provide protection for the Decatur County Barrens which harbor an unusual assemblage of barrens and glades.
Source of Funding:	Land Acquisition Funds
Estimated Cost:	Fair Market Value
Estimated Value:	\$230,000.00
Owner(s):	Southern Timber Venture, LLC
SSC Report:	05-17-04. Reggie Reeves, agency representative, summarized the project. He stated that the lumber harvesting rights would remain with Southern Timber Venture, LLC. and would be harvested at incremental periods over the next 20 years. This will save the State money and not having to remove the trees to preserve these barrens and glades. Mr. Reeves stated that they will oversee the removal of the pine trees to make certain that there is no damage to the barrens and glades. Staff referred to Sub-Committee for consent agenda.
SC Action:	5-27-04. Sub-committee approved the transaction as presented. Final action.

DEPARTMENT OF TRANSPORTATION

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL of interest in real property with WAIVER of ADVERTISEMENT as required by TCA 4-15-102 and 12-2-112:

Description: **Sullivan County – 0.82 +/- Acres – State Route 394 Right-of-Way and Franklin Drive, Blountville, TN – Trans. No. 04-04-001 (BM)**

Purpose: Disposal in Fee of surplus right-of-way to the only adjoining property owner for assemblage purposes.

Original Cost to State: \$299,303.00 – 3.271 Acres

Date of Original
Conveyance: December 1994

Grantor Unto State: Mark Carr, Earl Fleenor, Diana and Woodard Agett

Estimated Sale
Price: Fair Market Value

Estimated Value: \$34,500.00

Grantee: Earl Fleenor, Only Adjoining Property Owner

SSC Report: 05-17-04. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.

SC Action: 5-27-04. Sub-committee approved the transaction as presented. Final action.

DEPARTMENT OF TRANSPORTATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE an EQUAL VALUE LAND EXCHANGE, with WAIVER of APPRAISALS, required interest in the following real property:

Description:	<u>Shelby County – 3.56 +/- Acres (State Property) for 5.7 +/- Acres (City Property), Collierville, TN – Trans. No. 04-04-009 (BM)</u>
Purpose:	Equal Value Exchange of State property for City property for a major retail development project near the intersection of State Route 385 and Houston Levee Road.
Source of Funding:	Equal Value Exchange
Estimated Cost:	Equal Value
Owner(s):	City of Collierville, TN
SSC Report:	05-17-04. Jurgen Bailey summarized the transaction. Staff referred to Sub-Committee for consent agenda.
SC Action:	5-27-04. Sub-committee approved the transaction as presented. Final action.

DEPARTMENT OF TRANSPORTATION

REGION 3 – RUTHERFORD COUNTY

- 1) Approved a request to **Demolish Two Houses** at the Rutherford County Maintenance Site, Murfreesboro, Tennessee, subject to concurrence by the Tennessee Historical Commission.

Estimated Project Cost: \$23,000.00
SBC Project No. 245/074-01-04

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

BLEDSON CREEK STATE PARK, SUMNER COUNTY, TENNESSEE

- 1) Approved a request to **Demolish Old Bathhouse and Restroom Facility** at Bledson Creek State Park, Sumner County, Tennessee, subject to concurrence by the Tennessee Historical Commission.

Estimated Project Cost: \$3,000.00
SBC Project No. 126/012-01-04

Approved by: _____
M. D. Goetz, Jr., Commissioner
Department of Finance and Administration